

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

- ☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **March 31, 2009**.
- ☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission file number: **000-30377**

PROVIDENCE RESOURCES, INC.
(Exact name of registrant as specified in its charter)

TEXAS
(State or other jurisdiction of
incorporation or organization)

06-1538201
(I.R.S. Employer
Identification No.)

5300 Bee Caves Rd, Bldg 1 Suite 240, Austin, Texas, 78746
(Address of principal executive offices) (Zip Code)

(512) 970-2888
(Registrant's telephone number, including area code)

N/A
(Former name or former address if changed since last report)

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company as defined by Rule 12b-2 of the Exchange Act: Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

At May 15, 2009 the number of shares outstanding of the registrant's common stock, \$0.0001 par value (the only class of voting stock), was 62,174,454.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the terms “Company,” “we,” “our,” “us,” “it,” and “its” refer to Providence Resources, Inc., a Texas corporation, and its predecessors and subsidiaries, unless otherwise indicated. In the opinion of management, the accompanying unaudited, consolidated financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

PROVIDENCE RESOURCES, INC.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
March 31, 2009 and December 31, 2008

<u>ASSETS</u>	March 31, 2009 (Unaudited)	December 31, 2008 (Audited)
Current assets:		
Cash	\$ 5,152,955	6,392,364
Receivables	-	172,971
Note receivable	83,123	107,500
Total current assets	<u>5,236,078</u>	<u>6,672,835</u>
Unproved oil and gas properties, not subject to amortization	<u>8,586,644</u>	<u>7,359,854</u>
Total assets	<u>\$ 13,822,722</u>	<u>14,032,689</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 1,689,393	1,133,642
Accrued expenses	1,251,378	1,026,324
Related party payables	86,846	53,500
Total current liabilities	<u>3,027,617</u>	<u>2,213,466</u>
Convertible debentures	3,320,000	3,320,000
Long-term convertible promissory notes	3,126,689	2,592,382
Long-term notes payable	<u>700,000</u>	<u>700,000</u>
Total liabilities	<u>9,582,666</u>	<u>8,825,848</u>
Commitments		
Stockholders' equity:		
Providence Resources, Inc. stockholders' equity		
Preferred stock, \$.0001 par value, 25,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$.0001 par value, 250,000,000 shares authorized, 62,174,454 shares issued and outstanding	6,217	6,217
Additional paid-in capital	49,429,352	49,407,003
Deferred stock Compensation	(466,017)	-
Deficit accumulated during the development stage	<u>(45,972,109)</u>	<u>(44,357,352)</u>
Total Providence Resources, Inc. stockholders' equity	3,497,443	5,055,868
Non-controlling interest	<u>150,973</u>	<u>150,973</u>
Total stockholders' equity	<u>3,648,416</u>	<u>5,206,841</u>
Total liabilities and stockholders' equity	<u>\$ 13,822,722</u>	<u>14,032,689</u>

The accompanying notes are an integral part of these consolidated financial statements

PROVIDENCE RESOURCES, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
Three Months ended March 31, 2009 and 2008 and Cumulative Amounts
(Unaudited)

			Inception on February 17, 1993 through March 31, 2009
	2009	2008	
Sales	\$ -	-	350
Cost of sales	-	-	25,427
Gross profit	-	-	25,777
General and administrative expenses	865,654	188,019	12,078,077
Loss from operations	(865,654)	(188,019)	(12,052,300)
Other income (expense):			
Interest income	10,258	454	522,691
Interest expense	(759,361)	(808,682)	(10,503,743)
Impairment of capital assets	-	-	(21,390,826)
Debt conversion expense	-	-	(211,115)
Gain (loss) on sale of assets	-	-	1,119,109
Loss before income taxes and continuing operations	(1,614,757)	(996,247)	(42,516,184)
Provision for income taxes	-	-	-
Loss from continuing operations	(1,614,757)	(996,247)	(42,516,184)
Loss from discontinued operations, net of tax	-	-	(3,407,279)
Net loss before cumulative effect of accounting change	(1,614,757)	(996,247)	(45,923,463)
Cumulative effect of accounting change, net of tax	-	-	(102,500)
Net loss	(1,614,757)	(996,247)	(46,025,963)
Net loss attributable to the non-controlling interest	-	-	53,854
Net loss attributable to Providence Resources, Inc.	<u>\$ (1,614,757)</u>	<u>(996,247)</u>	<u>(45,972,109)</u>
Loss per common share from continuing operations - basic and diluted	<u>\$ (0.03)</u>	<u>(0.02)</u>	
Loss per common share from discontinued operations - basic and diluted	<u>\$ -</u>	<u>-</u>	
Loss per common share - basic and diluted	<u>\$ (0.03)</u>	<u>(0.02)</u>	
Weighted average common shares outstanding - basic and diluted	<u>62,174,454</u>	<u>59,161,118</u>	

The accompanying notes are an integral part of these consolidated financial statements

PROVIDENCE RESOURCES, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months ended March 31, 2009 and 2008 and Cumulative Amounts
(Unaudited)

	2009	2008	Inception on February 17, 1993 through March 31, 2009
Cash flows from operating activities:			
Net loss	\$ (1,614,757)	(996,247)	(45,972,109)
Adjustments to reconcile net loss to net cash used in operating activities:			
Shares issued for services	-	-	865,000
Shares issued with financing	-	-	3,532,073
Shares issued for debt and accrued interest conversion	-	-	404,761
Additional value of shares issued for debt and services conversion	-	-	3,151,831
Options issued for services	56,332	-	1,546,825
Amortization of conversion rights on debt	534,307	576,799	3,468,585
Depreciation, amortization and impairment	-	20,399	21,647,455
Non-controlling interest	-	-	(53,854)
Discontinued operations	-	-	2,542,150
Gain on write-off of liabilities	-	-	(96,270)
Gain (loss) on sale of assets	-	-	(1,119,109)
(Increase) decrease in:			
Accounts receivable and prepaid expenses	-	34,168	144,893
Inventory	-	-	374,515
Related party receivable	172,971	-	-
Increase (decrease) in:			
Accounts payable	555,751	6,220	2,286,417
Accrued expenses	225,054	231,816	1,740,325
Related party payables	33,346	(14,000)	187,158
Net cash used in operating activities	<u>(36,996)</u>	<u>(140,845)</u>	<u>(5,349,354)</u>
Cash flows from investing activities:			
Advances to PRE Exploration prior to acquisition	-	-	(8,886,761)
Cash of PRE Exploration on acquisition date	-	-	73,271
Acquisition of intangible assets	-	-	(150,398)
Acquisition of property and equipment	(1,226,790)	-	(11,246,368)
Proceeds from sales of assets	-	-	7,212,800
Payments received on notes receivable	24,377	60,000	266,877
Issuance of notes receivable	-	-	(616)
Net cash provided by (used in) investing activities	<u>(1,202,413)</u>	<u>60,000</u>	<u>(12,731,195)</u>
Cash flows from financing activities:			
Proceeds from notes payable	-	-	1,392,999
Proceeds from convertible promissory notes payable	-	-	5,000,000
Issuance of common stock	-	-	13,347,979
Commissions paid to raise convertible debentures	-	-	(41,673)
Minority investment in subsidiary	-	-	136,915
Proceeds from (payments for) convertible debentures	-	-	3,654,173
Payments on notes payable	-	-	(256,889)
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>23,233,504</u>
Change in accumulated other comprehensive income	-	(14,572)	-
Net increase (decrease) in cash	<u>(1,239,409)</u>	<u>(95,417)</u>	<u>5,152,955</u>
Cash, beginning of period	6,392,364	1,180,147	-
Cash, end of period	<u>\$ 5,152,955</u>	<u>1,084,730</u>	<u>5,152,955</u>

The accompanying notes are an integral part of these consolidated financial statements

PROVIDENCE RESOURCES INC.
(An Exploratory Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009 and 2008

Note 1 — Organization and Summary of Significant Accounting Policies

Organization

The consolidated financial statements consist of Providence Resources, Inc. (“Providence Resources”) (formerly Healthbridge, Inc.), wholly owned subsidiaries, Healthbridge AG and PRE Exploration, LLC (“PRE Exploration”) and a ninety percent interest in Comanche County Pipeline, LLC. PRE Exploration has two wholly owned subsidiaries, PDX Drilling I, LLC and PRT Holdings, LLC. Collectively, these entities are referred to herein as the “Company”.

Providence Resources was organized on February 17, 1993 (date of inception) under the laws of the State of Texas. Healthbridge AG was formed as a German subsidiary. PDX Drilling I, LLC was formed to acquire drilling and service rigs for the purpose of drilling oil and gas wells in Texas. PRT Holdings, LLC, was formed to acquire leases in Texas for oil and gas exploration and development. Comanche County Pipeline, LLC was formed for constructing and maintaining an oil and gas pipeline in Comanche County, Texas.

PRE Exploration is involved in exploration activities for the recovery of oil and gas from the Ellenberger carbonate, Strawn carbonate, and Pennsylvanian-Wolfcamp sandstone reservoirs in Val Verde County. The Val Verde County prospect includes approximately 16,184 gross acres of oil and gas leases. PRE Exploration has up to a 50% working interest and its joint venture operating partner, Elm Ridge Exploration Company LLC (“Elm Ridge”) has a 50% working interest in the Val Verde County prospect.

The Company is considered a development stage company as defined in SFAS No. 7.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by management in accordance with the instructions in Form 10-Q and, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Company’s Form 10-K for the year ended December 31, 2008, filed with the Securities and Exchange Commission. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim operations are not necessarily indicative of the results to be expected for the full year ended December 31, 2009.

Additional Footnotes Included By Reference

Except as indicated in the following Notes, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Company’s Form 10-K for the year ended December 31, 2008, filed with the Securities and Exchange Commission. Therefore, those footnotes are included herein by reference.

PROVIDENCE RESOURCES INC.
(An Exploratory Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009 and 2008

Note 2 — Going Concern

As of March 31, 2009 the Company's revenue generating activities were not in place, as a result the Company has negative cash flows from operations, and has incurred losses of approximately \$46,000,000 since inception. These factors raise substantial doubt about the Company's ability to continue as a going concern.

We anticipate that additional funding will be required in the next twelve months in the form of equity financing from the sale of our common stock. However, we do not have any financing arranged and cannot provide prospective investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock to fund our plan of operations.

Note 3 — Note Receivable

The Company's outstanding note receivable is from Central Basin Oil Investments, Inc. ("CBOI"). The note bears interest at 6% and is secured by a vehicle, a drilling rig and related equipment sold to CBOI. The note is currently in default and is due on demand.

Note 4 – Convertible Debentures

The Company has issued seven convertible debenture certificates for the total principal sum of \$3,320,000 due in full with accrued and unpaid interest on November 30, 2010. The interest accrues at a rate of 7.0% per annum and is payable on a semi-annual basis. The holders of the debentures have the right to convert all or part of the principal and accrued interest into common shares of the Company at \$0.35 per share at any time prior to maturity. The convertible debentures are secured by substantially all of the Company's assets, consisting of all tangible and intangible property.

PROVIDENCE RESOURCES INC.
(An Exploratory Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009 and 2008

Note 5 – Long-Term Convertible Promissory Notes

Long-term convertible promissory notes consisted of:

Convertible Promissory Note Payable – Global Project Finance AG, secured, payable in full on May 31, 2010, including interest at 10%, convertible at \$0.08 per common share.	\$ 1,000,000
Convertible Promissory Note Payable – Global Convertible Megatrend Ltd., secured, payable in full on August 8, 2010, including interest at 10%, convertible at \$0.08 per common share.	1,400,000
Convertible Promissory Note Payable – Golden Beach Company Ltd., secured, payable in full on August 8, 2010, including interest at 10%, convertible at \$0.08 per common share.	100,000
Convertible Promissory Note Payable – CR Innovations AG, secured, payable in full on August 8, 2010, including interest at 10%, convertible at \$0.08 per common share.	600,000
Convertible Promissory Note Payable – Global Project Finance AG, secured, payable in full on August 8, 2010, including interest at 10%, convertible at \$0.08 per common share.	400,000
Convertible Promissory Note Payable – Global Undervalued Investment Ltd., secured, payable in full on August 15, 2010, including interest at 10%, convertible at \$0.08 per common share.	250,000
Convertible Promissory Note Payable – FE Global Leveraged Investment Ltd., secured, payable in full on August 15, 2010, including interest at 10%, convertible at \$0.08 per common share.	250,000
Convertible Promissory Note Payable – Miller Energy LLC, secured, payable in full on April 29, 2010, including interest at 10%, convertible at \$0.08 per common share.	1,000,000
Convertible Promissory Note Payable – FAGEB AG, secured, payable in full on March 4, 2010, including interest at 12%, convertible at \$0.08 per common share.	496,174
Convertible Promissory Note Payable – Global Convertible Megatrend Ltd., secured, payable in full on March 4, 2010, including interest at 12%, convertible at \$0.08 per common share.	423,188
	5,919,362
Less unamortized discount	(2,792,673)
	\$ 3,126,689

PROVIDENCE RESOURCES INC.
(An Exploratory Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009 and 2008

Note 5 – Long-Term Convertible Promissory Notes (continued)

The notes listed above are secured by:

- All seismic data obtained in connection with the 3D Seismic Project Proposal and Agreement between the Company and TRNCO Petroleum Corporation which seismic data may not be shared with any third party without the express written consent of the holder of the note.
- Any and all proceeds arising from or attributable to the assets.

The fair value of the conversion options on the long-term promissory notes is \$2,792,673 at March 31, 2009, and is calculated using the intrinsic value method recorded as discounts on the face value of the notes. These amounts are amortized using the straight-line method over the terms of the notes. In the three months ended March 31, 2009, the Company recorded \$534,307 as interest expense due to amortization of the discounts.

Note 6 – Long-Term Notes Payable

Long-term notes payable consisted of the following:

Note Payable - Bluemont Investment Ltd, payable in full by August 27, 2010, including interest at 10%.	\$ 200,000
Note Payable - Global Convertible Megatrend Ltd., unsecured, principal payable in full on February 23, 2010, interest at 10% and payable at the end of each fiscal quarter, accrued interest convertible to common shares at \$0.08 per share.	<u>500,000</u>
	700,000
Less current portion	<u>-</u>
	<u>\$ 700,000</u>

Note 7 – Related Party Payables

Related party payables consist of amounts due to officers and directors of the Company for consulting fees and were \$86,846 at March 31, 2009.

PROVIDENCE RESOURCES INC.
(An Exploratory Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009 and 2008

Note 8 — Related Party Transactions

The Company has entered into an agreement with Nora Cocco, a non-executive officer and director of the Company, for consulting services. The agreement has an automatic renewal provision unless terminated by either party. During the three months ended March 31, 2009, the Company recognized a consulting expense of \$24,000.

The Company has an agreement with Gil Burciaga as the Company's president, CEO, and director. The agreement provides for an annual base salary of \$150,000, incentive stock options of 1,700,000, tenure stock options of 5,650,000, and performance stock options if he successfully meets certain performance requirements. The term of the agreement is for four years. During the three months ended March 31, 2009, the Company recognized a consulting expense of \$37,500 to Gil Burciaga.

Note 9 — Supplemental Cash Flow Information

Actual amounts paid for interest and income taxes are as follows:

Interest	\$	-
Income taxes	\$	-

During the three months ended March 31, 2009, the Company:

- Recorded deferred stock compensation of \$522,349 related to 2,550,000 common stock options.

Note 10 – Common Stock Options and Warrants

Common stock options and warrants are as follows:

	Number of			Exercise
	Options	Warrants		Price
				Per Share
Outstanding at January 1, 2009	9,050,000	7,267,650	\$.20 - 1.00
Recorded	2,550,000	-	\$.20
Outstanding at March 31, 2009	11,600,000	7,267,650	\$.20 - 1.00

PROVIDENCE RESOURCES INC.
(An Exploratory Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009 and 2008

Note 11 – Noncontrolling Interest

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, Noncontrolling Interests in Consolidated Financial Statements – an amendment of Accounting Research Bulletin No. 51 (“SFAS 160”). SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent’s ownership interest, and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 also establishes disclosure requirements that clearly identify and distinguish between the interest of the parent and the interests of the noncontrolling owners.

Pursuant to the transition provisions of SFAS 160, we adopted SFAS 160 on January 1, 2009 via retrospective application of the presentation and disclosure requirements. The noncontrolling interest recorded in our Consolidated Balance Sheets relates to a third party’s interest in our majority owned subsidiary, CCP. At December 31, 2008, the noncontrolling interest balance of \$150,973 that was previously recorded as a minority interest in the mezzanine section of the Consolidated Balance Sheets has been reclassified to noncontrolling interest in the equity section of the Consolidated Balance Sheets.

Noncontrolling interest in the amount of \$53,854 on the Consolidated Statement of Income for the cumulative period was originally presented before income tax expense. The retrospective presentation of SFAS 160 requires the noncontrolling interest to be presented after income tax expense, and we have presented noncontrolling interest net of income tax expense for the cumulative period. There was no impact on net loss or the loss from continuing operations attributable to Providence Resources, Inc. or the net loss used in computing earnings per share.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties. Forward-looking statements can be identified by words such as "anticipates," "expects," "believes," "plans," "predicts," and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include but are not limited to those discussed in the subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our financial statements and notes thereto included in this report. Our fiscal year end is December 31. All information presented herein is based on the three month period ended March 31, 2009.

Discussion and Analysis

The Company is involved in oil and gas exploration through its wholly owned subsidiary, PRE Exploration, LLC ("PRE Exploration"). PRE Exploration holds up to a 50% working interest in 16,184 gross acres of oil and gas leases in Val Verde County. The leases included underlying multiple oil and gas target zones delineated by 3D seismic data and drilling in the area, along a trend that has produced from multiple large gas fields, including the Gomez field which has produced over 10.6 trillion cubic feet to date, the Brown Bassett which has produced over 1.6 trillion cubic feet to date, and the JM Field which has produced over 650 billion cubic feet to date.

Elm Ridge Exploration Company, LLC ("Elm Ridge") holds 50% of the working interest in the Val Verde County leases which it acquired in 2008 in exchange for \$7.212 million dollars and its commitment to carry PRE Exploration for an additional \$2 million on the initial two wells drilled to the Ellenberger formation. Elm Ridge has met its commitments to the Company.

Seismic Exploration

On March 27, 2007 PRE Exploration engaged TRNCO Petroleum Corporation to implement an I/O two recording system using the latest in state-of-the-art acquisition and processing parameters to generate high quality 3D seismic data from the Val Verde County leases. Dawson Geophysical Company was concurrently engaged to obtain the actual 3D seismic data while Fairfield Industries Incorporated was subsequently engaged to interpret the data in concert with consulting geologists familiar with the geophysical applications of seismic data.

The 3D seismic data collected and interpreted illuminated deep gas targets at depths ranging from 14,000 to 16,000 feet in the Ellenberger carbonate, in addition to targets within the Strawn carbonate and Pennsylvanian-Wolfcamp sandstone reservoirs at lesser depths. PRE Exploration identified 25 prospective drilling locations within the Val Verde leases based on this information.

Drilling

PRE Exploration and Elm Ridge engaged R.K Ford & Associates, Inc. ("R.K. Ford") to drill two exploratory wells to the Ellenberger formation to test the structure at a depth of approximately 16,000 feet. R.K. Ford completed drilling the Carson 10-1 in early March of 2009 and the Carson 12-1 in late April of 2009. While there was some showing of natural gas to surface for each well, logs confirmed that the primary targeted formations were not wet and that gas shows and reservoir fracture porosity were found throughout both Ellenberger intervals. Formation evaluation and potential formation stimulation methods are now being assessed.

The assessment program involves the expertise of several consultants including Fairfield Industries of Houston, Texas, whose processing shop is working to provide a 3D inversion data set to better define the seismic properties surrounding the wells as well as updating the total prospect potential. Seismic inversion transforms seismic reflection data into quantitative rock properties that can better describe the reservoir. Log data is being evaluated by McGinley and Associates, Inc of Texas. Once these assessments are complete a final determination of the potential of these two wells will be made.

Strategy

Over the next twelve months, based upon the results of the first two exploratory wells, the Company expects to focus on additional drilling targets for natural gas production in Val Verde County.

The Company's business is prone to significant risks and uncertainties that have an immediate impact on efforts to generate a positive cash flow and may deter the anticipated expansion of our initial drilling program. Since we have no assurance that future expectations of oil and gas production will be realized, or that revenue realized from such anticipated production will be sufficient to support our continued operation, we may well have to rely on debt or equity financing to remain in business. However, the Company has no commitments for additional debt or equity financing, so unless positive cash flow can be generated from operations, the future of our business remains uncertain.

Results of Operations

During the three month period ended March 31, 2009 the Company was involved in (i) drilling the Carson 10-1 and Carson 12-1 wells in Val Verde County, (ii) initial assessment of drilling results, (iii) extending the terms of the Carson and Cole leases and (iii) satisfying continuous public disclosure requirements.

Net Losses

For the period from inception until March 31, 2009 the Company incurred net losses of \$45,972,109. Net losses for the three months ended March 31, 2009 were \$1,614,757 as compared to net losses of \$996,247 for the three months ended March 31, 2008. The increase in net losses over the comparative periods can be primarily attributed to an increase in general and administrative expenses. We did not generate any revenue during the current period.

We will likely continue to operate at a loss through fiscal 2009 and due to the nature of the Company's oil and gas exploration and development operations cannot determine whether we will ever generate revenues from operations.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2009 were \$865,654 as compared to \$188,019 for the three months ended March 31, 2008. The increase in general and administrative expenses can be primarily attributed to an amount paid to extend the primary term of the Carson Lease in Val Verde County and an increase in legal fees. General and administrative expenses also include financing costs, accounting costs, consulting fees, leases, employment costs, professional fees and costs associated with the preparation of disclosure documentation. We expect that overall general and administrative expenses will decrease even though legal expenses are expected to increase through the resolution of outstanding legal proceedings.

Other Income (Expense)

Interest income for the three months ended March 31, 2009 increased to \$10,258 from \$454 for the three months ended March 31, 2008.

Interest expense for the three months ended March 31, 2009 decreased to \$759,361 from \$808,682 for the three months ended March 31, 2008.

Income Tax Expense (Benefit)

The Company may have a prospective income tax benefit resulting from a net operating loss carryforward and start up costs that would offset any future operating profit.

Impact of Inflation

The Company believes that inflation has affected operations over the last three years as the result of increases in labor costs, drilling services and equipment. However, inflationary pressure has now abated and pricing for services in the field is on the decline. Therefore, we believe that the Company can mitigate any new inflationary increases through considered commitments and improved operating efficiencies.

Capital Expenditures

The Company has spent significant amounts of capital for the period from February 17, 1993 (inception) to March 31, 2009 on unproved oil and gas properties, pipeline construction, and exploration costs.

Liquidity and Capital Resources

The Company has been in the exploratory stage since inception and has experienced significant changes in liquidity, capital resources, and stockholders' equity.

The Company had a working capital surplus of \$2,208,461 at March 31, 2009 that included current assets of \$5,236,078, consisting of cash on hand of \$5,152,955, and a note receivable of \$83,123. The Company had total assets of \$13,822,722 at March 31, 2009 that consisted of current assets and unproved oil and gas properties in Val Verde County, Texas.

The Company had current liabilities of \$3,027,617 at March 31, 2009 consisting of accounts payable of \$1,689,393, accrued expenses of \$1,251,378, and related party payables of \$86,846. The Company had total liabilities of \$10,174,306 at March 31, 2009 that included current liabilities, convertible debentures in the aggregate amount of \$3,320,000, convertible promissory notes of \$3,126,689, and notes payable of \$700,000.

Stockholders equity in the Company was \$3,648,416 as of March 31, 2009.

For the period from inception until March 31, 2009 the Company's cash flow used in operating activities was \$5,349,354. Cash flows used in operating activities for the three month period ending March 31, 2009 were \$36,996 compared to \$140,845 for the three month period ended March 31, 2008. The decrease in cash flow used in operating activities during the current period is primarily due to an increase in option expense and accounts payable.

Depreciation, amortization, and impairment for the three month periods ended March 31, 2009 and 2008 was \$0 and \$20,399 respectively.

For the period from inception until March 31, 2009 the Company's cash flow used in investing activities was \$12,731,195. Cash flows used in investing activities for the three month period ended March 31, 2009 were \$1,202,413 compared to cash flows provided by investing activities of \$60,000 for the three month period ended March 31, 2008. Cash flows used in investing activities in the current period are the result of costs incurred in drilling on the Carson leases in Val Verde County.

For the period from inception until March 31, 2009 the Company's cash flow provided by financing activities was \$23,233,504. There were no cash flows provided by financing activities for the three month periods ended March 31, 2009 or 2008.

The Company has funded its cash needs from inception primarily through a series of debt and equity transactions, including several private placements. While we believe that our current assets are sufficient to conduct our exploration and development activities over the next twelve months, no assurances can be given that additional funding, if needed to explore and develop our lease interests, will be available to us. Our inability to obtain funding, if necessary, would have a material adverse affect on our business.

Cash dividends are not expected to be paid in the foreseeable future.

The Company had no lines of credit or other bank financing arrangements as of March 31, 2009.

Commitments for future capital expenditures related to the Company's drill program were material at March 31, 2009.

The Company has a defined benefit plan and contractual commitments with certain of its officers and directors.

The Company has no current plans for the purchase or sale of any plant or equipment.

The Company has no current plans to make any changes in the number of employees.

Off Balance Sheet Arrangements

As of March 31, 2009 the Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to stockholders.

Going Concern

The Company's audit expressed substantial doubt as to the Company's ability to continue as a going concern as a result of reoccurring losses, lack of revenue generating activities, and an accumulated deficit of \$44,357,352 as of December 31, 2008, which increased to \$45,972,109 at March 31, 2009. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

Management's plan to address the Company's ability to continue as a going concern, include the development and prospective production of oil and natural gas operations, and the conversion of outstanding debt to equity. The successful outcome of these activities cannot be determined at this time, and there is no assurance that, if achieved, we would then have sufficient funds to execute our intended business plan or generate positive operating results.

Forward Looking Statements and Factors That May Affect Future Results and Financial Condition

The statements contained in the section titled "*Results of Operations*" and "*Discussion and Analysis*," with the exception of historical facts, are forward looking statements. A safe-harbor provision may not be applicable to the forward looking statements made in this current report. Forward looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance;
- uncertainties related to oil and gas exploration and development;
- our ability to generate revenues through oil and gas production to fund future operations;
- our ability to raise additional capital to fund cash requirements for future operations;
- the volatility of the stock market; and
- general economic conditions.

We wish to caution readers that our operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated, including the factors set forth in the section entitled "*Risk Factors*" included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than that is required by law.

Stock-Based Compensation

We have adopted SFAS No. 123 (revised 2004) (SFAS No. 123R), Share-Based Payment, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. In January 2005, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 107, which provides supplemental implementation guidance for SFAS No. 123R. SFAS No. 123R eliminates the ability to account for stock-based compensation transactions using the intrinsic value method under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and instead generally requires that such transactions be accounted for using a fair-value-based method. We use the Black-Scholes-Merton ("BSM") option-pricing model to determine the fair-value of stock-based awards under SFAS No. 123R, consistent with that used for pro forma disclosures under SFAS No. 123, Accounting for Stock-Based Compensation. We have elected the modified prospective transition method as permitted by SFAS No. 123R and accordingly prior periods have not been restated to reflect the impact of SFAS No. 123R. The modified prospective transition method requires that stock-based compensation expense be recorded for all new and unvested stock options, restricted stock, restricted stock units, and employee stock purchase plan shares that are ultimately expected to vest as the requisite service is rendered beginning on January 1, 2006, the first day of our fiscal year 2006. Stock-based compensation expense for awards granted prior to January 1, 2006 is based on the grant date fair-value as determined under the pro forma provisions of SFAS No. 123. Prior to the adoption of SFAS No. 123R, we measured compensation expense for our employee stock-based compensation plans using the intrinsic value method prescribed by APB Opinion No. 25. We applied the disclosure provisions of SFAS No. 123 as amended by SFAS No. 148, Accounting for Stock-Based Compensation – Transition and Disclosure, as if the fair-value-based method had been applied in measuring compensation expense. Under APB Opinion No. 25, when the exercise price of our employee stock options was equal to the market price of the underlying stock on the date of the grant, no compensation expense was recognized.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force ("EITF") in Issue No. 96-18. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

Critical Accounting Policies

In the notes to the audited consolidated financial statements for the Company for the year ended December 31, 2008 and 2007 included in the Form 10-K the Company discussed those accounting policies that are considered to be significant in determining the results of operations and financial position. The Company's management believes that their accounting principles conform to accounting principles generally accepted in the United States of America.

The preparation of financial statements requires management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, we evaluate our estimates, including those related to bad debts, inventories, intangible assets, warranty obligations, product liability, revenue, and income taxes. We base our estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions.

Revenue Recognition

Revenues are recorded upon the completion of the services, with the existence of an agreement and where collectability is reasonably assured. Oil and natural gas production revenue, if any, will be recognized at the time and point of sale after the product has been extracted from the ground.

Recent Accounting Pronouncements

In November 2008, the Emerging Issues Task Force (“EITF”) issued Issue No. 08-7, *Accounting for Defensive Intangible Assets* (“EITF 08-7”). EITF 08-7 applies to all acquired intangible assets in which the acquirer does not intend to actively use the asset but intends to hold (lock up) the asset to prevent its competitors from obtaining access to the asset (a defensive asset), assets that the acquirer will never actually use, as well as assets that will be used by the acquirer during a transition period when the intention of the acquirer is to discontinue the use of those assets. EITF 08-7 is effective as of January 1, 2009. The Company does not expect the adoption of EITF 08-7 to have a material impact on its consolidated financial statements.

The Financial Accounting Standards Board (“FASB”) has issued Statement of Financial Accounting Standards (“SFAS”) No. 163, *Accounting for Financial Guarantee Insurance Contracts*. SFAS No. 163 clarifies how SFAS No. 60, *Accounting and Reporting by Insurance Enterprises*, applies to financial guarantee insurance contracts issued by insurance enterprises, and addresses the recognition and measurement of premium revenue and claim liabilities. It requires expanded disclosures about contracts, and recognition of claim liability prior to an event of default when there is evidence that credit deterioration has occurred in an insured financial obligation. It also requires disclosure about (a) the risk-management activities used by an insurance enterprise to evaluate credit deterioration in its insured financial obligations, and (b) the insurance enterprise's surveillance or watch list. The Company is currently evaluating the impact of SFAS No. 163.

In May 2008, FASB issued FASB Staff Position (“FSP”) APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)* (“FSP APB 14-1”). FSP APB 14-1 clarifies that convertible debt instruments that may be settled in cash upon either mandatory or optional conversion (including partial cash settlement) are not addressed by paragraph 12 of APB Opinion No. 14, *Accounting for Convertible Debt and Debt issued with Stock Purchase Warrants*. Additionally, FSP APB 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FSP APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. We will adopt FSP APB 14-1 beginning in the first quarter of 2009, and this standard must be applied on a retrospective basis. We are evaluating the impact the adoption of FSP APB 14-1 will have on our consolidated financial position and results of operations.

On May 8, 2008, FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles, which will provide framework for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles (GAAP) for nongovernmental entities. With the issuance of SFAS No. 162, the GAAP hierarchy for nongovernmental entities will move from auditing literature to accounting literature. The Company is currently assessing the impact SFAS No. 162 will have on its financial position and results of operations.

In April 2008, the FASB issued FASB Staff Position (“FSP”) No. FAS 142-3, *Determination of the Useful Life of Intangible Assets*. FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, Goodwill and Other Intangible Assets (“SFAS 142”). FSP 142-3 is intended to improve the consistency between the useful life of an intangible asset determined under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R and other GAAP. FSP 142-3 is effective as of January 1, 2009. The Company does not expect the adoption of FSP 142-3 to have a material impact on the consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this quarterly report, an evaluation was carried out by the Company’s management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (“Exchange Act”)) as of March 31, 2009. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission’s rules and forms, and that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Company’s management concluded, as of the end of the period covered by this report, that the Company’s disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission’s rules and forms, and such information was accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Changes in Internal Controls over Financial Reporting

During the period ended March 31, 2009 there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On August 27, 2008 The Harding Company (“Harding”) filed a complaint in the District Court of the 160th Judicial District of Dallas County, Texas against the Company. Harding seeks (i) amounts remaining due of \$1,177,032 for drilling wells in Comanche and Hamilton Counties and \$340,358 for the pipeline to these dry wells under the Joint Exploration Agreement dated October 1, 2005, as amended (ii) access to the seismic data from Val Verde County and its purported right to acquire an additional five percent of participation in the Val Verde leases under the Agreement for Purchase and Sale dated February 21, 2006, as amended, and (iii) attorney’s fees.

On November 5, 2008, the Company, represented by Andrews Kurth, LLP, filed a counterclaim against Harding and an original claim against Abram Janz (“Janz”) that seeks damages for fraud, negligent misrepresentation, breach of contract, and breach of fiduciary duty arising out of Harding’s and Janz’s solicitation of the Company to invest in a drilling and development venture in Comanche and Hamilton Counties. The Company seeks actual and exemplary damages for (i) the loss of its investment under Joint Exploration Agreement, (ii) specific performance of the repurchase provision pertaining to Harding’s five percent participation in the Val Verde leases and (iii) attorney’s fees. The Company believes that it will be successful in its defense of the Harding claims and in pursuing its counterclaim against Harding and Janz.

ITEM 1A. RISK FACTORS

The Company’s operations and securities are subject to a number of risks. Below we have identified and discussed the material risks that we are likely to face. Should any of the following risks occur, they will adversely affect our operations, business, financial condition and/or operating results as well as the future trading price and/or the value of our securities.

Risks Related to the Company’s Business

The Company has a history of operating losses and such losses may continue in the future.

Since the Company’s inception in 1993, our operations have resulted in a continuation of losses. We will continue to incur operating losses until such time as we begin producing oil and gas revenue, which may or may not eventuate. Should the Company fail to produce oil and gas revenue we may continue to operate at a loss and might never become profitable.

The Company has a history of uncertainty about continuing as a going concern.

The Company’s audits for the periods ended December 31, 2008 and December 31, 2007 expressed substantial doubt as to its ability to continue as a going concern due to the lack of revenue generating activities and the accumulation of significant losses of \$44,357,352 as of December 31, 2008, which increased to \$45,972,109 at March 31, 2009. Unless we are able to overcome our dependence on financings and begin to generate revenue from operations, our ability to continue as a going concern will be in jeopardy.

The Company has a limited operating history as an oil and gas exploration company.

The Company acquired PRE Exploration on September 29, 2006, which company first began oil and gas exploration during the fourth quarter of 2005. As such, our limited operating history in the oil and gas exploration sector provides an inadequate track record from which to base future projections of success.

The Company cannot represent that it will be successful in continuing operations.

The Company has not, to date, generated revenue from operations and may not generate revenue over the next twelve months. Should the Company be unable to realize revenue over the next twelve months, it will be forced to continue to raise capital to remain in operation. We have no commitments for the provision of additional capital and can offer no assurance that such capital will be available as necessary to sustain operations.

Risks Related to the Oil and Gas Industry

Oil and natural gas drilling and producing operations involve risks which could result in net losses.

Drilling activities are subject to many risks, including the risk that no commercially productive reservoirs will be discovered. Wells which we drill may not be productive, and, thus, we may not be able to recover all or any portion of our investment in such wells. Drilling for oil and natural gas may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient net reserves to return a profit after deducting drilling, operating and other costs. The seismic data and other technologies which we use do not allow us to know conclusively prior to drilling a well that oil or natural gas is present or may be produced economically. The cost of drilling, completing and operating a well is often uncertain, and cost factors can reduce the feasibility of a project to produce a profit. Further, our drilling operations may be curtailed, delayed or canceled as a result of numerous factors, including:

- unexpected drilling conditions;
- title problems;
- pressure or irregularities in formations;
- equipment failures or accidents;
- adverse weather conditions;
- compliance with environmental and other governmental requirements; and
- cost of, or shortages or delays in the availability of, drilling rigs, equipment and services.

Our operations are subject to all the risks normally incident to the operation and development of oil and natural gas properties and the drilling of oil and natural gas wells, including:

- encountering well blowouts;
- cratering and explosions;
- pipe failure;
- fires;
- formations with abnormal pressures resulting in uncontrollable flows of oil and natural gas;
- brine or well fluids; and
- release of contaminants into the environment and other environmental hazards and risks.

The nature of these risks is such that some liabilities including environmental fines and penalties could exceed our ability to pay for the damages. We could incur significant costs due to these risks that could result in net losses.

The Company is subject to federal, state and local laws and regulations which could create liability for personal injuries, property damage, and environmental damages.

Exploration and development, exploitation, production and sale of oil and natural gas in the United States is subject to extensive federal, state and local laws and regulations, including complex tax laws and environmental laws and regulations. Existing laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations could harm the Company's business, results of operations and financial condition. We may be required to make large expenditures to comply with environmental and other governmental regulations. Matters subject to regulation include oil and gas production and saltwater disposal operations and our processing, handling and disposal of hazardous materials, such as hydrocarbons and naturally occurring radioactive materials, discharge permits for drilling operations, spacing of wells, environmental protection, reports concerning operations, and taxation. Under these laws and regulations, we could be liable for personal injuries, property damage, oil spills, discharge of hazardous materials, reclamation costs, remediation, clean-up costs and other environmental damages.

Shortages of oil field equipment, services, or qualified personnel, could impact the Company's operating results.

The demand for qualified and experienced field personnel to drill wells and conduct field operations, geologists, geophysicists, engineers and other professionals in the oil and natural gas industry can fluctuate significantly, often in correlation with oil and natural gas prices, causing periodic shortages. There have also been shortages of drilling rigs and other equipment, as demand for rigs and equipment has increased along with the number of wells being drilled. These factors also cause significant increases in costs for equipment, services and personnel. Higher oil and natural gas prices generally stimulate increased demand and result in increased prices for drilling rigs, crews and associated supplies, equipment and services. We cannot be certain when or if we will experience these issues and these types of shortages or price increases which could significantly decrease any profit margin, cash flow and operating results on any particular well or restrict our ability to drill additional wells.

The results of the Company's current operations depend on the exploration and operational efforts of third parties.

Exploration efforts through seismic exploration, processing and interpretation in Val Verde County have been provided by TRNCO Petroleum Corporation, Dawson Geophysical, Fairfield Industries, Sam Ting, Bill Purves, and McGinley and Associates, Inc. Exploration efforts through drilling and operation in Val Verde County are being provided by R.K. Ford & Associates, Inc. Despite being experienced in their respective fields, our dependence on third parties to initiate, determine and conduct operations could impede our own prospect of success.

Since oil and natural gas prices are volatile, any substantial decrease in prices could cause the Company to continue to operate at a loss even in the event that we are successful in producing oil and gas.

Our future financial condition, results of operations and the carrying value of our oil and natural gas properties will depend primarily upon the prices we receive for production, if any. Oil and natural gas prices historically have been volatile and are likely to continue to be volatile in the future. Our cash flow from operations will be highly dependent on the prices that we expect to receive for oil and natural gas. This price volatility also affects the amount of cash flow available for capital expenditures and our ability to borrow money or raise additional capital. The prices for oil and natural gas are subject to a variety of additional factors that are beyond our control. These factors include:

- the level of consumer demand;
- the domestic supply;
- domestic governmental regulations and taxes;
- the price and availability of alternative fuel sources;
- weather conditions; and
- market uncertainty.

These factors and the volatility of the energy markets generally make it extremely difficult to predict future oil and natural gas price movements with any certainty. Declines in oil and natural gas prices would not only reduce future revenue, but could reduce the amount of oil and natural gas that we can produce economically and, as a result, could cause us to continue to operate at a loss. Should the oil and natural gas industry experience significant price declines, we may continue to operate at a loss even if we produce oil or gas.

Risks Related to the Company's Stock

The Company may require additional capital funding.

The Company may require additional funds, either through equity offerings, debt placements or joint ventures to develop our operations. Such additional capital may result in dilution to our current shareholders. Our ability to meet long-term financial commitments may depend on future cash. There can be no assurance that future income will generate sufficient funds to enable us to meet our financial commitments.

The market for our stock is limited and our stock price may be volatile.

The market for our common stock has been limited due to low trading volume and the small number of brokerage firms acting as market makers. Because of the limitations of our market and volatility of the market price of our stock, investors may face difficulties in selling shares at attractive prices when they want to. The average daily trading volume for our stock has varied significantly from week to week and from month to month, and the trading volume often varies widely from day to day.

The Company does not pay cash dividends.

The Company does not pay cash dividends. We have not paid any cash dividends since inception and have no intention of paying any cash dividends in the foreseeable future. Any future dividends would be at the discretion of our board of directors and would depend on, among other things, future earnings, our operating and financial condition, our capital requirements, and general business conditions. Therefore, shareholders should not expect any type of cash flow from their investment.

We incur significant expenses as a result of the Sarbanes-Oxley Act of 2002, which expenses may continue to negatively impact our financial performance.

We incur significant legal, accounting and other expenses as a result of the Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission, which control the corporate governance practices of public companies. Compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as discussed in the following risk factor, has substantially increased our expenses, including legal and accounting costs, and made some activities more time-consuming and costly. Further, expenses related to our compliance may increase in the future, as legislation affecting smaller reporting companies comes into effect that may negatively impact our financial performance to the point of having a material adverse effect on our results of operations and financial condition.

Our internal controls over financial reporting may not be considered effective in the future, which could result in a loss of investor confidence in our financial reports and in turn have an adverse effect on our stock price.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 we are required to furnish a report by our management on our internal controls over financial reporting. Such report must contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. If we are unable to continue to assert that our internal controls are effective, our investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

The Company's shareholders may face significant restrictions on their stock.

The Company's stock differs from many stocks in that it is a "penny stock." The Commission has adopted a number of rules to regulate "penny stocks" including, but not limited to, those rules from the Securities Act as follows:

- 3a51-1 which defines penny stock as, generally speaking, those securities which are not listed on either NASDAQ or a national securities exchange and are priced under \$5, excluding securities of issuers that have net tangible assets greater than \$2 million if they have been in operation at least three years, greater than \$5 million if in operation less than three years, or average revenue of at least \$6 million for the last three years;
- 15g-1 which outlines transactions by broker/dealers which are exempt from 15g-2 through 15g-6 as those whose commissions from traders are lower than 5% total commissions;
- 15g-2 which details that brokers must disclose risks of penny stock on Schedule 15G;
- 15g-3 which details that broker/dealers must disclose quotes and other information relating to the penny stock market;
- 15g-4 which explains that compensation of broker/dealers must be disclosed;
- 15g-5 which explains that compensation of persons associated in connection with penny stock sales must be disclosed;
- 15g-6 which outlines that broker/dealers must send out monthly account statements; and
- 15g-9 which defines sales practice requirements.

Since the Company's securities constitute a "penny stock" within the meaning of the rules, the rules would apply to us and our securities. Because these rules provide regulatory burdens upon broker-dealers, they may affect the ability of shareholders to sell their securities in any market that may develop; the rules themselves may limit the market for penny stocks. Additionally, the market among dealers may not be active. Investors in penny stock often are unable to sell stock back to the dealer that sold them the stock. The mark-ups or commissions charged by the broker-dealers may be greater than any profit a seller may make. Because of large dealer spreads, investors may be unable to sell the stock immediately back to the dealer at the same price the dealer sold the stock to the investor. In some cases, the stock may fall quickly in value. Investors may be unable to reap any profit from any sale of the stock, if they can sell it at all.

Shareholders should be aware that, according to Commission Release No. 34-29093 dated April 17, 1991, the market for penny stocks has suffered from patterns of fraud and abuse. These patterns include:

- control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;
- manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;
- "boiler room" practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons;
- excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and
- the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 28 of this Form 10-Q, and are incorporated herein by this reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Providence Resources, Inc.

Date

/s/ Gilbert Burciaga

May 15, 2009

By: Gilbert Burciaga

Its: Chief Executive Officer, Chief Financial Officer, Principal
Accounting Officer and Director

EXHIBITS

<i>Exhibit</i>	<i>Description</i>
3(i)(a)*	Articles of Incorporation (incorporated by reference from the Form 10-SB filed with the Commission on April 17, 2000).
3(i)(b)(c)*	Amendment to Articles of Incorporation (incorporated by reference from the Form 10-SB filed with the Commission on April 17, 2000).
3(i)(d)*	Amended and Restated Articles of Incorporation (incorporated by reference from the Form 10-SB filed with the Commission on April 17, 2000).
3(i)(e)*	Articles of Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from the Form 10-QSB filed with the Commission on November 17, 2003).
3(i)(f)*	Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from the Form 8-K filed with the Commission on October 2, 2006).
3(i)(g)*	Amendment to the Amended and Restated Articles of Incorporation (incorporated by reference from the Form 10-QSB filed with the Commission on August 14, 2007).
3(ii)(a)*	Bylaws of the Company (incorporated by reference from the Form 10-SB filed with the Commission on April 17, 2000).
3(ii)(b)*	Amended and Restated Bylaws of the Company (incorporated by reference from the Form 8-K filed with the Commission on October 26, 2006).
10(i)*	Joint Venture Agreement between PRE Exploration and Harding Company, dated October 1, 2005 (incorporated by reference from the Form 8-K filed with the Commission on October 2, 2006).
10(ii)*	Agreement for Purchase and Sale between PRE Exploration and Global Mineral Solutions, L.P., dated February 22, 2006 (incorporated by reference from the Form 8-K filed with the Commission on October 2, 2006).
10(iii)*	Securities Exchange Agreement dated April 10, 2006, between the Company, PRE Exploration, and the membership unit holders of PRE Exploration (filed on Form 8-K with the Commission on April 14, 2006).
10(iv)*	Note Exchange Agreement dated April 10, 2006, between the Company and the holders of certain promissory notes issued by PRE Exploration (filed on Form 8-K with the Commission on April 14, 2006).
10(v)*	Amendment to the Terms of the Securities Exchange Agreement effective as of May 26, 2006, between the Company, PRE Exploration, and the membership unit holders of PRE Exploration (filed on Form 8-K with the Commission on July 3, 2006).
10(vi)*	Amendment to the Terms of the Note Exchange Agreement effective as of May 26, 2006, between the Company and the holders of certain promissory notes issued by PRE Exploration (filed on Form 8-K with the Commission on July 3, 2006).
10(vii)*	Letter Agreement between PRE Exploration and Harding Company, dated March 30, 2006 (incorporated by reference from the Form SB2/A-2 filed with the Commission on February 28, 2007).
10(viii)*	Project Participation Agreement with Elm Ridge Exploration Company, LLC, dated July 31, 2008 (filed on Form 10-Q/A with the Commission on October 20, 2008).
14*	Code of Ethics, adopted as of March 1, 2004 (incorporated by reference from the form 10-QSB filed with the Commission on November 17, 2004).
21*	Subsidiaries (incorporated by reference from the Form 10-K filed with the Commission on April 7, 2008).
31	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (attached).
32	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (attached).

* Incorporated by reference to previous filings of the Company.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gilbert Burciaga certify that:

1. I have reviewed this report on Form 10-Q of Providence Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 15, 2009

/s/ Gilbert Burciaga

Gilbert Burciaga

Chief Executive Officer and Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the report on Form 10-Q of Providence Resources, Inc. for the quarterly period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof, I, Gilbert Burciaga, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) This report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this report fairly represents, in all material respects, the financial condition of the registrant at the end of the period covered by this report and results of operations of the registrant for the period covered by this report.

Date: May 15, 2009

/s/ Gilbert Burciaga

Gilbert Burciaga

Chief Executive Officer and Chief Financial Officer

This certification accompanies this report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the registrant for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.